

I am particularly pleased that our balanced budget passed with the overwhelming support of both parties in both Houses of Congress. It reflects the common values and common sense of the vital center of American politics.

This balanced budget also will strengthen America by continuing our economic strategy. Beginning in 1993, our new economic approach of cutting deficits, investing in our people, and expanding exports through tough trade agreements has created the conditions for sustained prosperity. Today we have learned that the economy grew over the first 6 months of this year at a 3.5% rate, with low inflation and rising incomes. Today's passage of the balanced budget will continue that strategy and help keep America's economy growing.

I look forward to the swift passage of the tax cuts in separate legislation to complete our balanced budget plan.

Statement on Congressional Action on Tax Cut Legislation

July 31, 1997

Congressional passage of tax cut legislation brings us one step closer to final enactment of landmark legislation that will balance the budget, provide meaningful tax relief to middle class families, and strengthen the Nation's economy.

This tax cut honors our values by helping middle class families raise their children, send them to college, save for retirement, and buy and sell a home. I am particularly pleased that it includes \$35 billion to give every American who needs it a Hope scholarship tax cut for the first 2 years of college, to provide further tax relief for all 4 years of college, and to help to pay for education and training throughout a lifetime. The first balanced budget in a generation is also the best education budget in a generation.

By giving working families direct tax relief, we are continuing our economic strategy of balancing the budget while investing in people. That strategy has helped create prosperity, with steady growth, low inflation, strong investment, and rising middle class incomes.

Now, this tax cut will boost the standard of living for middle class families even more. Working families deserve the dividend from a growing economy and a balanced budget, and with this tax cut, they will receive it.

Statement on Renewable Fuels Tax Incentives

July 31, 1997

I am very disappointed that the tax incentives for renewable fuels were not extended in this budget agreement. By now, all Americans should be aware of the important role ethanol plays in cleaning our air and in providing economic development for rural America.

In the last two decades, ethanol has grown from a fledgling industry to make a real contribution to our environment, our national economy, and our efforts to wean ourselves from foreign sources of energy. As the Nation moves toward cleaner reformulated gasoline in 2000, it will be crucial to have a number of options for making this fuel. Specifically, Americans will need a choice of oxygenated fuels to meet their clean air needs, including ethanol and its ether, ETBE, which has properties that make it particularly beneficial to the environment. Having a broad range of oxygenated fuels from which to choose will help increase competition in that market, lowering prices for consumers.

To continue the progress made so far, and to provide Americans with a choice of oxygenated fuels, it is critical that we extend these tax incentives beyond 2000. Only by extending these incentives until 2007 will farmers and renewable fuels producers have the certainty they need to invest in new ethanol plants and thus to further expand our domestic renewable fuels industry.

I have included a 7-year extension of the renewable fuels tax incentives in the NEXTEA legislation I sent to Congress earlier this year, and I urge Congress to enact this proposal as part of the reauthorization of the transportation bill.